

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 CIAE-00 DODE-00 PM-03 H-01

INR-05 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02

SS-15 OES-03 NSF-01 COME-00 EB-07 TRSE-00 OMB-01

USIE-00 SSO-00 NSCE-00 INRE-00 AGR-05 HEW-02 /066 W
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O 291350Z NOV 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC IMMEDIATE 1235

C O N F I D E N T I A L SECTION 1 OF 2 SANTIAGO 7278

DEPARTMENT PASS ALL ARA DIPLOMATIC POSTS EXCEPT SANTIAGO

EO 11652: GDS

TAGS: PFOR, TGEN, CI

SUBJECT: SUB-GROUP IV OF WORKING GROUP ON SCIENCE AND TRANSFER
OF TECHNOLOGY

1. SUMMARY: AFTER ANOTHER 24 HOUR DELAY DURING WHICH LA
CONTINUED TO CAUCUS, USDEL WAS CALLED TO MEETING OF PLENARY
AT 5:30 P.M. THURSDAY. SESSION CONSISTED SOLELY OF A READING
OF L.A. PAPER WHICH WAS RESULT OF THREE DAYS OF CAUCUS. PAPER
COUPLES PROGRAM SUGGESTIONS SUCH AS HUMAN RESOURCE TRAINING, WITH
SERIES OF QUOTE MINIMUM DEMANDS UNQUOTE THAT US QUANTIFY NEW
ASSISTANCE IT WILL GIVE TO L.A., THAT U.S. COMPANIES GIVE TOTAL
ACCESS TO THEIR TECHNOLOGY TO L.A. AND OTHERS. AT END OF
READING USDEL WAS REQUESTED TO STUDY THE LATIN POSITION PAPER
AND RETURN FRIDAY MORNING TO GIVE U.S. RESPONSE. LA'S ARE STILL
DIVIDED ON WHAT KIND OF INTER-AMERICAN MECHANISMS, IF ANY,
IS DESIRABLE AND ARE STILL WORKING ON THIS PAPER. IN OUR
OPINION ESTABLISHMENT THAT MINIMUM DEMANDS BE MET PRIOR FURTHER
DISCUSSION OF MECHANISMS, AND L.A. DIVISION ON MECHANISM MAKES
FURTHER DISCUSSION IMPRACTICAL. USDEL WILL SUGGEST THAT BOTH
POSITIONS BE FORWARDED TO GOVERNMENTS FOR FURTHER CONSULTATIONS.
END SUMMARY.

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2. THE L.A. CAUCUS PAPER IS A MIXTURE OF SUGGESTED PROGRAMS, DEMANDS FOR NEW FUNDS FROM THE .S. TO SUPPORT THESE PROGRAMS, AND THE IMPOSITION BY THE LA'S OF "MINIMUM CONDITIONS" TO BE MET BY THE U.S. BEFORE THE LATIN AMERICAN COUNTRIES TAKE A POSITION ON MECHANISMS FOR COOPERATION "ON A DIALOGUE BETWEEN LATIN AMERICA AND THE U.S. ON TRANSFER OF COMMERCIAL TECHNOLOGY".

3. THE LIST OF PROGRAM AND ACTIONS COMPRISES HUMAN RESOURCES TRAINING IN TECHNOLOGY, REINFORCING OF R&D INSTITUTIONS IN L.A., USE OF L.A. R&D INSTITUTIONS IN EXECUTION OF PROJECTS FOR L.A. PRIVATE INDUSTRY, A LATIN AMERICAN TECHNOLOGY INFORMATION NETWORK, AND FACILITATING ACCESS OF L.A. TO U.S. PUBLIC SECTOR TECHNOLOGY IN AGRICULTURE, HEALTH AND OTHERS.

4. AFTER BRIEF DISCUSSION OF EACH OF THE ABOVE PROGRAMS IN STRAIGHTFORWARD AND UNCONTENTIOUS TONE, THE DOCUMENT THEN CRITICIZES THE U.S. FOR PUTTING FORWARD AN "INNOCUOUS" PROPOSAL TO CREATE AN ORGANISM WHOSE ROLE SHOULD BE TO STUDY PROBLEMS AND FORMULATE RECOMMENDATIONS. THE ONLY RESULT OF SUCH AN EFFORT, THE PAPER GOES ON, WOULD BE THE PRODUCTION OF DOCUMENTS COVERING PROBLEMS WHICH ARE ALREADY KNOWN AND WHOSE SOLUTIONS HAVE ALREADY BEEN STUDIED. THE U.S. IS THEN ACCUSED OF IGNORING THESE REALITIES, AND OF FAILING TO RESPOND TO THE L.A. DESCRIPTION OF THEIR PROBLEMS IN BRASILIA, GUATEMALA, BOGOTA AND CARACAS. THE PRINCIPAL INDICATION OF THIS NEGATIVE ATTITUDE IS U.S. FAILURE TO QUOTE QUANTIFY UNQUOTE A SIGNIFICANT NEW CONTRIBUTION TO FINANCE LATIN AMERICAN TECHNOLOGICAL DEVELOPMENT. L.A.A. DOCUMENT THEN LAYS DOWN QUOTE MINIMUM CONDITIONS UNQUOTE WHICH WILL HAVE TO BE MET BY U.S. BEFORE LATIN AMERICANS WOULD BE WILLING TO GO ANY FURTHER IN THE DISCUSSIONS OF MECHANISMS.

5. THESE CONDITIONS ARE TEXTUALLY AS FOLLOWS:
QUOTE THE LATIN AMERICAN AMERICAN COUNTRIES, CONSCIOUS THAT THE NEW DIALOGUE OUGHT TO SIGNIFY SUBSTANTIAL CHANGES IN CONTRIBUTIONS OF FINANCIAL AND MATERIAL RESOURCES, AS WELL AS OF SCIENTIFIC AND TECHNOLOGICAL POLICIES REFLECTING THE INITIATIVE OF THE US GOVERNMENT IN THIS FIELD, CONDITIONS ITS FURTHER CONSIDERATION OF THE EVENTUAL EXISTENCE OF SOME KIND OF COOPERATIVE MECHANISM OR DIALOGUE BETWEEN LATIN AMERICA AND THE UNITED STATES FOR COMMERCIAL TRANSFER OF TECHNOLOGY, ON
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THE U.S. ACCEPTING THE FOLLOWING OBLIGATIONS:

1) QUANTIFY ITS CONTRIBUTION IN ACCORDANCE WITH AN APPROPRIATE AND SIGNIFICANT PERCENTAGE OF THE BENEFITS WHICH THE US DIRECTLY OR INDIRECTLY OBTAINS FROM THE LATIN AMERICAN TECHNOLOGICAL MARKET AS A CONSEQUENCE OF THE ACTIVITIES OF AMERICAN ENTERPRISES, TAKING INTO ACCOUNT BOTH THE DISCUSSION OF THE NECESSARY COOPERATION AS WELL AS THE VOLUME OF EFFORT WHICH LATIN AMERICA

UNDERTAKES IN RESEARCH AND DEVELOPMENT.

2) ADOPT A POSITIVE ATTITUDE AND USE ITS NEGOTIATING STRENGTH TOWARD THE APPROVAL OF AN INTERNATIONAL CODE OF CONDUCT RELATING TO TECHNOLOGY TRANSFER WHICH ACCORDS WITH THOSE DOCUMENTS PRESENTED IN UN FORUMS.

3) MAKE REPRESENTATIONS TO BUSINESSES AND GOVERNMENTAL ORGANISMS SO THAT THEY PERMIT ACCESS AND USE, BY LATIN AMERICAN COUNTRIES, OF ALL TECHNOLOGIES WHICH WERE OR WILL BE GENERATED IN THAT COUNTRY, INCLUDING THE PUBLIC AS WELL AS THE PRIVATE SECTOR (EXCEPT THOSE OF MILITARY CHARACTER), IN ACCORDANCE WITH THE CONDITIONS WHICH WERE ESTABLISHED IN THE CARACAS MEETING (SUB GROUP III).
POPPER

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SS-15 OES-03 NSF-01 COME-00 EB-07 TRSE-00 OMB-01

USIE-00 SSO-00 NSCE-00 INRE-00 AGR-05 HEW-02 /066 W
----- 028528

O 291350Z NOV 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC IMMEDIATE 1236

C O N F I D E N T I A L SECTION 2 OF 2 SANTIAGO 7278

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4) MAKE REPRESENTATIONS TO THE PUBLIC AND PRIVATE SECTOR TO OBTAIN THOSE CONTRACTS INVOLVING TECHNOLOGY TRANSFER WHICH HAVE BEEN RATIFIED WITH OTHER DEVELOPED AND DEVELOPING COUNTRIES SO THAT THEY CAN BE USED AS A REFERENCE FOR IMPROVING OUR CAPABILITY TO NEGOTIATE FOR TECHNOLOGY.

5) PROGRAMS OF COOPERATION IN THE FIELDS OF SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT AND THOSE TENDING TO INCORPORATE NEW TECHNOLOGIES OUGHT TO MAXIMIZE THEIR CONTRIBUTION TO THE PROCESS OF DEVELOPMENT OF THE LATIN AMERICAN COUNTRIES IN CONFORMITY WITH THE PRIORITIES OF THEIR POLICIES FOR AN INTEGRAL DEVELOPMENT.

6) SCIENTIFIC AND TECHNICAL DEVELOPMENT OUGHT TO PRODUCE A REAL NET TRANSFER OF FINANCIAL, SCIENTIFIC AND TECHNOLOGICAL RESOURCES. IN GENERAL, THOSE PROGRAMS OUGHT TO BE ORIENTED TOWARD THE CREATION OR FORTIFYING OF A NATIONAL CAPABILITY TO SOLVE EXISTING PROBLEMS AND NOT THAT OF FURNISHING EXTERNAL SOLUTIONS.

7) FINANCIAL COOPERATION ON ACTION PROGRAMS TO BE CARRIED OUT WILL NOT BE SUBJECT TO ALREADY ESTABLISHED FORMULAS
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CURRENTLY USED IN INTERNATIONAL ORGANISMS.

8) PROGRAMS SHOULD NOT BE LIMITED TO ACTIONS REINFORCING A NATIONAL CAPACITY FOR CREATING NEW KNOWLEDGE BUT SHOULD ALSO INCLUDE ACTIVITIES IN ALL PHASES OF THE TECHNOLOGY PROCESS.

9) DESIGN AND IMPLEMENT A POLICY OF FISCAL INCENTIVES TO THOSE FIRMS WHICH INVOLVE NORTH AMERICAN CAPITAL AND WHICH ARE ESTABLISHED IN LATIN AMERICA SO THAT THEY CAN FULLY USE LOCAL TECHNOLOGICAL CAPABILITIES AND PATRONIZE RESEARCH AND NATIONAL DEVELOPMENT ACTIVITIES.

10) MAKE REPRESENTATIONS TO NORTH AMERICAN FIRMS WHICH HAVE SUBSIDIARIES OR HAVE EQUITY IN FIRMS ESTABLISHED IN LATIN AMERICA OR WHICH ARE SOURCES OF TECHNOLOGY TO NATIONAL FIRMS THAT THEY NOT PUT UP OBSTACLES OR LIMIT FULL ACCESS TO WORLD TECHNOLOGY. THESE EFFORTS SHOULD STIMULATE NORTH AMERICAN ENTERPRISES TO GIVE PREFERENCE TO THE MAXIMUM SCIENTIFIC AND TECHNICAL CAPABILITY OF THE RECEIVING COUNTRY AND OF ITS LOCAL ENTERPRISES FACILITATING THEIR ACCESS TO MANAGERIAL EMPLOYMENT, PRINCIPALLY TO THOSE OF A TECHNICAL CHARACTER.

11) CONTRIBUTE IN AN EFFECTIVE WAY, THROUGH SPECIFIC MEANS AND EFFORTS, TO THE ELIMINATION OF RESTRICTIVE COMMERCIAL PRACTICES ASSOCIATED WITH THE TECHNOLOGY TRANSFER PROCESS.
UNQUOTE.

6. COMMENT: LATIN AMERICAN CAUCUS DOCUMENT COVERS WHOLE SCOPE OF WORKING GROUP DELIBERATIONS AND SHOULD BE CONSIDERED IN BROADER FORUM. THIS FACTOR, PLUS, CONFRONTATIONAL TONE OF LATIN AMERICAN GROUP WHICH HAVE FOLLOWED LEAD OF VENEZUELA,

MEXICO AND BRAZIL (BRAZIL WE ARE TOLD HAS INSISTED ON
CONDITIONING ANY DISCUSSION WITH U.S. ON MECHANISM TO PRIOR
U.S. ACCEPTANCE OF "MINIMUM" DEMANDS.) MAKES FURTHER DISCUSSION
IN THIS SUB-GROUP IMPRACTICAL. HENCE USDEL IS SUGGESTING THAT
U.S. AND L.A. PROPOSAL BE REFERRED TO THE GOVERNMENTS FOR
CONSIDERATION IN PREPARATION FOR THE MONTEVIDEO MEETING OF
WORKING GROUP.

7. FOR ALL PRACTICAL PURPOSES THE SUB-GROUP IV MEETING HAS
BEEN A LATIN AMERICAN CAUCUS. AT THE TIME THIS MESSAGE IS
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WRITTEN, THE LATIN AMERICANS ARE STILL MEETING TO SEE WHETHER
THEY CAN REACH AGREEMENT ON WHAT THE MECHANISM SHOULD BE.
REPORTS FROM THE CAUCUS INDICATE THAT THEY WILL NOTABLY
HAVE TO SETTLE FOR PRESENTING ALTERNATIVE PROPOSALS.

8. THE UNITED STATES HAS BEEN FORCED INTO THE DEMEANING
POSITION OF SITTING ON THE SIDE LINES UNTIL CALLED AND THEN
BEING CONFRONTED WITH A SET OF "MINIMUM CONDITIONS"; TO
ACCEPT BEFORE SUBJECT OF MEETING IS DISCUSSED. USDEL HAS LET
IT BE KNOWN IN POLITE BUT FIRM MANNER THAT THIS IS NOT THE WAY
THE DIALOGUE SHOULD BE CONDUCTED. CHILE AND BRAZIL HAVE BEEN
APOLOGETIC, THE LATTER INDICATING THAT IN THE FUTURE THE
LATIN AMERICANS SHOULD CAUCUS FIRST AND MEET WITH THE U.S.
LATER. HE SAID THAT HE WAS GOING TO PROPOSE THAT A RECOMMENDATION
TO THIS EFFECT BE INCLUDED IN REPORT. BOWDLER TOLD HIM HE HAD
ALREADY DECIDED TO MAKE THIS REQUEST BUT WELCOMED THE BRAZILIAN
INITIATIVE.
POPPER

NOTE BY OC/T: SECTION 2 OF 2 SANTIAGO 7278 NOT PASSED ABOVE
ADDRESSEE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SCIENTIFIC COOPERATION, COMMITTEE MEETINGS, MEETING REPORTS, TECHNOLOGICAL EXCHANGES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTIA07278
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740346-0785
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974113/aaaaabsw.tel
Line Count: 259
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by boyleja>; APPROVED <26 DEC 2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUB-GROUP IV OF WORKING GROUP ON SCIENCE AND TRANSFER OF TECHNOLOGY
TAGS: PFOR, TGEN, CI, UN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005